

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 066125

11
ORIGIN AF-04

INFO OCT-01 ISO-00 /005 R

66610
DRAFTED BY: AF/E:TJBURKE:CRJ
APPROVED BY: AF/E:WBCOOTE
----- 058427

R 022210Z APR 74
FM SECSTATE WASHDC
TO AMEMBASSY NAIROBI
AMEMBASSY ABIDJAN

LIMITED OFFICIAL USE STATE 066125

FOLLOWING REPEAT LUSAKA 0567 ACTION SECSTATE 29 MAR

QUOTE

LIMITED OFFICIAL USE LUSAKA 0567

PASS OPIC

EO 11652: DECONTROL ON RECEIPT
TAGS: EFIN, EIND, ZA
SUBJECT: TAW: STATEMENT TO PRESS

REF: STATE 62078

1. FOLLOWING IS SUMMARY OF STATEMENT ISSUED MARCH 28
BY TAW INTERNATIONAL LEASING.

2. BEGIN SUMMARY: CONTRACTS. UNDER MAY 1, 1973,
GRZ CONTRACT WITH TAW AND RELATED COMPANIES, TAW TO
PROVIDE MOST EFFICIENT TRANSPORT SYSTEM IN AFRICA THROUGH
LEASE OF 300 POWERFUL LONG-HAUL, SPECIALLY DESIGNED TRUCKS
AND 400 STURDY REINFORCED TRAILERS; MAINTENANCE AND
SERVICE; AND TRAIN 600 - 800 DRIVERS, 200 MECHANICS AND
MANAGERS TO OPERATE SYSTEM. AT END THREE YEARS GRZ HAD
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 066125

RIGHT TO PURCHASE TRUCKS AND TRAILERS AT MODEST PRICE.

3. TAW PERFORMANCE. ORGINAL DELIVERY DATE
SEPTEMBER 1, 1973, BUT CONTRACT ALLOWED FOR DELAYS
BEYOND TAW'S CONTROL, AND GRZ GAVE "CONSTANT
ASSURANCES" ORALLY AND IN WRITING MODIFYING ORIGINAL
DATE. NOTE DELAYS HAVE OCCURRED AND CONTINUING OCCUR
IN VEHICLE DELIVERIES FROM EUROPEAN SUPPLIERS.

4. TAW PERFORMANCE SUPERIOR TO OTHER SUPPLIERS.
TAW DELIVERED 34 TRUCKS AND 50 TRAILERS JULY 1973,
TRAINED 150 ZAMBIAN DRIVERS, WHO HAVE BEST SAFETY RECORD
IN ZAMBIA,
AND 30 MECHANICS. THESE TRUCKS AND
TRAILERS HAVE BEEN OPERATIONAL 90 PERCENT OF TIME COMPARED
TO HISTORICAL AVERAGE OF 50 PERCENT FOR OTHER FLEETS IN
ZAMBIA. TAW TRUCKS AVERAGED TWO ROUND TRIPS PER MONTH,
OTHERS ONLY ONE.

5. JAN 1974 TAW DELIVERED 27 ADDITIONAL TRUCKS AND TRAILERS
WHICH WERE UNCONDITIONALLY ACCEPTED BY GRZ. THOUGH TAW
BLAMED FOR DAR BACKLOG, THOSE TRUCKS USED ONLY ONCE.
MOREOVER, 34 UNITS WHICH ARRIVED JULY NOT USED FOR ONE
MONTH DUE DELAY IN GRZ LICENSING; THEY WERE USED BY GRZ
PRIMARILY ON ROUTES OTHER THAN TO DAR; TAW FLEET IS
APPROXIMATELY ONE-THIRD OF UNITS ORDERED BY GRZ FROM ALL
SUPPLIERS. TAW NOT RESPONSIBLE FOR TRANSPORTATION CRISIS;
ALONG MALAMBO ROAD ONE CAN SEE DOZENS UNUSED CONTINGENCY
VEHICLES.

6. IN FEB 1974, 100 TRUCKS AND TRAILERS ON DOCK READY
FOR SHIPMENT; REMAINDER WERE TO BE READY FOR SHIPMENT
IN SEVERAL WEEKS. NETWORK OF WORKSHOPS WERE
ESTABLISHED IN SEVERAL LOCALITIES. DRIVER AND MECHANIC
TRAINING WAS PROCEEDING. THIS IMPRESSIVE RECORD "IN STARK
CONTRAST" TO RECORD OF OTHER SUPPLIERS.

7. CANCELLATION BY GRZ. CANCELLATION CAME "SUDDENLY
AND WITHOUT WARNING" FEB 19, LESS THAN ONE MONTH AFTER
GRZ UNCONDITIONALLY ACCEPTED 27 UNITS AND LITTLE OVER
MONTH AFTER HAVING AGREED IN WRITING TO ACCEPT ALL TRUCKS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 066125

AND TRAILIERS DELIVERED BY TAW. REASON GIVEN WAS TAW
FAILURE MEET ORIGINAL DELIVERY DATE LONG SINCE MODIFIED
BY GRZ. TAW COUNSEL ADVISED CANCELLATION WAS "WRONGFUL,
UNJUSTIFIED REPUDIATION" OF TAW CONTRACTS "WHICH ENTITLES
TAW TO ACTUAL DAMAGES IN EXCESS OF K17 MILLION."

8. TAW IMMEDIATELY REQUESTED MEETING WITH GRZ OFFICIALS.
GRZ DELAYEE FOUR WEEKS UNTIL MEETING MARCH 19. TAW

OFFERED CONTINUE PERFORMANCE, KEEPING OFFER OPEN TO MARCH 28.
UNFORTUNATELY, GRZ POSITION DID NOT CHANGE. TAW HAS NO
CHOICE BUT TO TAKE MATTER TO ARBITRATION IN LONDON.

9. EFFECT OF CANCELLATION. TAW BELIEVES GRZ POSITION
"TRAGIC MISTAKE." ZAMBIA BEING DEPRIVED OF TRANSPORT
SYSTEM CAPABLE OF SOLVING BOTH CURRENT AND FUTURE TRANSPORT
PROBLEMS. ZAMBIA WILL BE LEFT WITH FLEETS OF EUROPEAN
EQUIPMENT NOT DESIGNED FOR LONG AFRICAN ROUTES, BADLY
MAINTAINED, LACKING SPARE PARTS, OPERATING HISTORICALLY
ONLY 50 PERCENT OF TIME. ONLY POSSIBLE BENEFICIARY IS
EUROPEAN SUPPLIERS WHO WILL HAVE ADVANTAGE OF REPLACING
THEIR EQUIPMENT AS IT BREAKS DOWN IN COUPLE OF YEARS.
CANCELLATION IS VICTORY FOR THOSE WHO SEEK SCAPEGOAT FOR
ZAMBIA'S TRANSPORT PROBLEMS. COST TO ZAMBIAN PEOPLE
"NOT JUST IN TERMS OF MONEY BUT ALSO TERMS OF
TRANSPORTATION INDEPENDENCE, IS ENORMOUS." END SUMMARY.)

10. FULL TEXT BY POUCH.

11. TAW ALSO ISSUED SEPARATE PRESS RELEASE ON REMARKS
MADE BY TAW PRESIDENT TO
WOOD. RELEASE COVERED
SAME GROUND INBRIEFER FORM. ONLY NEW POINTS WERE WOOD
ASSERTION HE CONFIDENT TAW DAMAGE CLAIM WOULD BE
SUCCESSFUL, TAW HAD ANTICIPATED FOUR ROUND TRIPS
PER MONTH TO DAR COMPARED TO ONE FOR OTHER FLEETS, AND
GRZ DECISION TO CANCEL MADE BY INEXPERT GRZ AUTHORITIES
WHO "NOT WELL ADVISED BY THEIR CONSULTANTS." FULL TEXT
BY POUCH.
NELQON UNQUOTE RUSH

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRUCKS, TRUCKING COMPANIES, CONTRACTS, TRAILERS, INDEMNIFICATION, DEBTS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE066125
Document Source: CORE
Document Unique ID: 00
Drafter: AF/E:TJBURKE:CRJ
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740074-0315
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740473/aaaacpdm.tel
Line Count: 145
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 62078
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 20 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 JUN 2002 by elyme>; APPROVED <31 JUL 2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TAW: STATEMENT TO PRESS
TAGS: EFIN, EIND, ZA, TAW
To: NAIROBI ABIDJAN
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005